

upto 25% of the difference between the original and revised estimated cost. Such assistance is extended only once for any on-going project subject to the following conditions :

- (i) The State Government should undertake to provide/arrange necessary funds for meeting the balance over-run in the cost.
- (ii) the revised estimated cost is administratively approved by the State Government.

(c) and (d) the quantum of LIC loan for water supply and sewerage disposal schemes in cities having population more than 20,000 will depend upon the pattern of financing indicated above. The maximum loan admissible for Schemes costing upto Rs. 1.00 crore is 67% (in Urban areas) and 50% (in Rural areas) and for over Rs. 1.00 Crore, LIC loan will be on a reducing scale.

[English]

#### **Economic Reforms**

94. SHRI SONTOSH MOHAN DEV :  
SHRI KACHARU BHAI RAUT :  
SHRI R. SAMBASIVA RAO :

Will the Minister of FINANCE be pleased to state :

(a) whether he has recently stated that there was no economic reforms in the offing;

(b) if so, whether the Prime Minister pointed out that a package of economic measures will be announced before 30th January, 1997;

(c) if so, whether the latest statement made by him has created great resentment amongst the industry and in the market; and

(d) if so, the measures Government proposes to take to improve the economic reforms ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) No, Sir.

(b) On 31st December, 1996 the Prime Minister met with a cross section of industrialists and economists to exchange views on the economy. The Finance Minister, the Industry Minister, the Commerce Minister and the Deputy Chairman, Planning Commission were present. At that meeting the Prime Minister indicated that Government would expedite decisions on long-standing policy issues and announce suitable policy measures in the month of January, 1997.

(c) Does not arise.

(d) Several policy measures have been recently announced by the Government in the area of foreign investment and development of infrastructure. These include expanding the list of industries eligible for automatic approval of foreign equity upto 51 per cent, announcement of 9 groups of industries for automatic approval of foreign equity upto 74 per cent. and announcing the first ever guidelines for consideration of foreign direct investment proposals by the

Foreign Investment Promotion Board, which are not covered under the automatic route. Foreign Institutional Investors (FIIs) have been allowed to invest in corporate and debt funds, and the guidelines for the External Commercial Borrowings have been further liberalised.

Other policy measures include delicensing of consumer electronics, enhancement of investment ceilings for the small scale industries, deregulation of prices and distribution of D Grade of non-coking coal, hard coke and soft coke, allowing telecom projects to avail of tax holiday and concessional import duty, announcement of liberalised guidelines for private participation in ports and highways and announcing of Common Minimum Action Plan for Power.

#### **Magisterial Powers to Income Tax Officers**

95. SHRI BRIJ BHUSHAN TIWARI :  
KUNWAR SARVARAJ SINGH :

Will the Minister of FINANCE be pleased to state :

(a) whether the Income Tax department have sought Magisterial power for Income Tax Officers to enable them to take suitable action during raids of Income Tax cases,

(b) if so, the action taken thereon;

(c) whether the Government propose to provide service revolver to Income Tax Officers for self defence, and

(d) if not, the reasons therefor ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir.

(b) The matter was examined in consultation with Ministry of Home Affairs/Law who opined that the Magisterial Powers can not be conferred on the Income-tax Officials in view of the Constitutional constraint that 'Law and Order' is a State subject

(c) and (d) No such proposal is being considered at present

[Translation]

#### **Seizure of Goods**

96. DR. BALIRAM : Will the Minister of FINANCE be pleased to state :

(a) the details of the goods seized by the Customs and Central Excise in Metropolitan cities and also at international airports during the last three months;

(b) the value of the goods seized;

(c) the number of persons arrested in this regard; and

(d) the manner in which the Government dispose of the seized goods ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) During the three month period of November 1996 to January, 1997 contraband such as